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UNITED STATES BANKRUPTCY COURT

SOUTHERN DISTRICT OF NEW YORK

Case No. 12-12020-mg

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In the Matter of:

RESIDENTIAL CAPITAL, LLC, et al.,

Debtors.

- - - - -x

United States Bankruptcy Court

One Bowling Green

New York, New York

May 13, 2013

1:41 PM

B E F O R E:

HON. MARTIN GLENN

U.S. BANKRUPTCY JUDGE

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Hearing Re: Motion for Examiner's Report to be Filed Under
Seal, Pending Court Order

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A P P E A R A N C E S :

MORRISON & FOERSTER, LLP

Attorneys for Debtors

1290 Avenue of the Americas

New York, NY 10104

BY: GARY S. LEE, ESQ.

RESIDENTIAL CAPITAL, LLC, ET AL.

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1 P R O C E E D I N G S

2 THE COURT: All right, please be seated. All right,
3 we're here in Residential Capital. It's number 12-12020. Mr.
4 Lee, you have an application you wanted to present?

5 MR. LEE: Yes, good afternoon, Your Honor. First of
6 all thank you for hearing us on such short notice today. As
7 Your Honor knows, the circumstances of this case are somewhat
8 unusual, and we appreciate, again, Your Honor making yourself
9 available.

10 Your Honor, this is an oral application seeking entry
11 of an order, pursuant to the Court's equitable powers under
12 Section 105(a) of the Bankruptcy Code, temporarily sealing the
13 examiner report through and including May the 21st, 2003 (sic)
14 at 9 a.m., if the debtors have not filed a motion seeking
15 approval of a plan support agreement. If the debtors have
16 filed a motion seeking approval of a plan support agreement,
17 the oral request, Your Honor, is that the report be sealed
18 through the earlier of July the 1st, 2013, or such date as the
19 Court determines the motion.

20 As Your Honor knows, Section 105(a) of the Bankruptcy
21 Code empowers the bankruptcy court to issue any order, process
22 or judgment that is necessary or appropriate to carry out the
23 provisions of this title. Your Honor, our view is that this is
24 one of those situations in which a bankruptcy court may use its
25 equitable powers to assure the orderly conduct of the

1 reorganization proceedings.

2 What I'm here to report, Your Honor, is that the
3 parties have made substantial progress towards the framework
4 for a consensual plan of reorganization and we anticipate, Your
5 Honor, that no later than 11 a.m. tomorrow morning, we will be
6 in possession of signed plan term sheets.

7 THE COURT: All right. Anybody else wish to be heard?

8 All right. With respect to the application to require
9 that the examiner's report, which is presently contemplated to
10 be filed by 3 p.m. today, that it be filed under seal, the
11 Court will grant the application.

12 We have a Residential Capital hearing scheduled for
13 tomorrow morning at 9. I expect that counsel can then report,
14 certainly before the conclusion of that hearing, whether there
15 is a signed term sheet by the parties to the mediation that
16 would create the structure for a broad consensual resolution of
17 issues in the case; perhaps not every issue, but most issues.

18 In the event that a -- that the Court is advised that
19 a term sheet has been executed, the stay will remain in effect
20 until 9 a.m. May 21st, if the debtors have not filed a motion
21 seeking approval of a plan support agreement. Or if the plan
22 support -- if a motion to approve a plan support agreement has
23 been filed, then the stay will continue to the earlier of July
24 1, 2013 or such date as the Court determines the motion to
25 approve the plan support agreement.

1 I'll so order the transcript to that effect, but would
2 like a written order presented that incorporates what we've
3 just discussed, Mr. Lee.

4 MR. LEE: Thank you, very much, Your Honor.

5 THE COURT: Okay?

6 MR. LEE: We'll submit something to chambers.

7 THE COURT: And we'll see you tomorrow morning.

8 And with respect to the filing under seal of the
9 examiner's report, Una O'Boyle, the Chief Deputy Clerk, will
10 make the appropriate arrangements. The hard copy, or copies,
11 will be placed in the vault. And Ms. O'Boyle will also work
12 out the arrangements for electronic filing under seal.

13 I contemplate that I certainly will have access to the
14 electronic copy -- the hard copy if I want to see it, but I
15 don't even want it staying in my chambers in the meantime.
16 I've got enough ResCap paper in there. I don't want it getting
17 lost in the shuffle.

18 So that'll be the Court's disposition today, and I
19 guess I'll see you in the morning.

20 MR. LEE: See you tomorrow morning.

21 THE COURT: Thank you, very much.

22 MR. LEE: Thank you very much, Your Honor.

23 THE COURT: All right. We're in recess until 2
24 o'clock.

25 (Whereupon these proceedings were concluded at 1:46 PM)

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I N D E X

RULINGS

	Page	Line
Debtors' application to file the examiner's	5	11
report under seal is granted.		
Stay will remain in effect as delineated on	5	19
the record.		

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C E R T I F I C A T I O N

I, Penina Wolicki, certify that the foregoing transcript is a true and accurate record of the proceedings.

Penina Wolicki

PENINA WOLICKI

AAERT Certified Electronic Transcriber CET**D-569

eScribers

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Date: May 14, 2013